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DOE FOR NA24, NA-241 - SIEMON/O'CONNOR/LAMONTAGNE; NA-243 -  
GOOREVICH; NA-242 - MALLIN  
NRC FOR NMSS - AQUILAR, MARSHALL; OIP - SCHWARTZMAN, MDOANE  
DOD FOR ELBERT, KILLIAN, HOWE  
PASS TO BROOKHAVEN NATIONAL LABORATORY FOR PEPPER

SENSITIVE

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TAGS: [IAEA](#) [OTRA](#) [KNNP](#) [TRGY](#) [AORC](#)

SUBJECT: IAEA/SAFEGUARDS: HIGHLIGHTS OF 2009 U.S. SUPPORT PROGRAM  
ANNUAL REVIEW MEETING

REF: STATE 48677

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Summary  
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1. (SBU) The U.S. Support Program (USSP) annual review meeting with the IAEA Department of Safeguards (SG) highlighted the new and ongoing 2008-2009 SG R&D Programme projects for which U.S. and other Member State support has been or will be requested. The overarching theme was the on-going shift from accountancy-based safeguards to "information-driven safeguards," which is seen as essential for positioning the Agency to provide more credible assurances about the absence of undeclared nuclear activities. Discussions included strategies for planning, training, and recruiting to achieve the systemic, cultural and technological change needed to facilitate this shift. Other key themes included implementing knowledge management approaches to compensate for the high turnover due to retirement and the IAEA's rotation policy; developing or acquiring new tools and systems for information collection, analysis (a linchpin for "information-driven" safeguards), management; new inspection tools to help the IAEA detect unreported materials and activities; and automating remote inspections. The common theme evident in discussions with all IAEA SG divisions was human resources-related, i.e., issues associated with recruiting, training, and retaining quality staff members. (Comment: Despite inquiries from the U.S. delegation, it remains unclear why SG did not make a human resource focus a bigger priority in its 2010-2011 Program and Budget proposal.) End Summary.

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Background  
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2. (U) The USSP meets annually with IAEA Safeguards Department (SG) officials and staff to exchange information about the status of major SG projects to which the U.S. contributes substantially through direct and "in-kind" support. In this year's May 18 - 20 meeting, SG participation consisted mainly of support division staff members, who are principally in charge of Safeguards R&D tasks. The U.S. delegation consisted of the Subgroup on Safeguards Technical Support, SSTS (made up of representatives from the Departments of State, Energy, Defense, and the Nuclear Regulatory Commission), which makes the funding decisions for the USSP; representatives from the International Safeguards Project Office (ISPO) at Brookhaven National Laboratory, which administers the day-to-day operations of

the USSP and monitors USSP tasks; one representative from NNSA's Office of Nonproliferation Research and Development (NA-22); contractor representatives from various DOE laboratories and the private sector; and UNVIE MsnOffs. Some of the laboratory representatives gave technology briefings, which were well attended by Safeguards staff. This cable reports highlights of the meeting; the full agenda and presentations are available from ISPO (POC: Susan Pepper, pepper@bnl.gov).

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Opening Remarks  
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¶3. (U) Opening remarks were made by UNVIE Ambassador Schulte; Olli Heinonen, Deputy Director General for Safeguards; Nikolai Khlebnikov, Safeguards Technical Support (SGTS) Director; and William O'Connor, DOE/NNSA, Chair of the SSTS. Ambassador Schulte opened the meeting by emphasizing U.S. commitment to continued extrabudgetary support and plans for making a significant increase in the IAEA regular budget. He spoke of strengthening safeguards, including via the need for universal adherence to the Additional Protocol, and via "information-driven safeguards."

¶4. (U) Heinonen also cited information-driven safeguards and the need for tools to detect undeclared activities. He said the new tools have to work differently than before to address the expanding Safeguards missions, to manage Safeguards data and to equip new facilities coming under safeguards. Inspection planning should be targeted toward keeping inspectors on the ground where needed, but automating many of the routine elements of inspection and moving toward remote inspection activity as much as possible, noting that the unpredictable timing of remote inspections enhanced their value as deterrents to cheating.

¶5. (U) Heinonen and the Divisions of Safeguards Information Management (SGIM) and Safeguards Concepts and Planning (SGCP) are working to organize departmental processes and procedures, IT systems, and other tools to optimize the information-driven safeguards approach. Jill Cooley, Director of SGCP, in her presentation on the State Level Approach, acknowledged that the Secretariat is still at the stage where the term "information-driven safeguards" (IDS) may mean different things to different people. She said that to her, IDS is the use of all available SG-relevant information to "plan, conduct, and evaluate activities and identify follow-up actions." This works in a continuous feedback loop to update the evaluation of each State.

¶6. (SBU) Khlebnikov underscored the USSP as the oldest, largest and most comprehensive support program. He emphasized the need for R&D efforts to develop safeguards equipment needed to fully automate remote inspections; the need to develop software to manage the increased amount of information that is being collected; and the need to standardize and fully integrate equipment. (Comment: Fully automated inspections and other information management tools would help the Safeguards Department cope with significant increases over the last two decades in the amount of nuclear material and the number of facilities under Safeguards, and with its expanded missions, e.g., information analysis and planning under the Additional Protocol. See refTel for further discussion of this issue. End Comment.)

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USSP Safeguards Equipment Developments  
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¶7. (U) SG officials and staff were clearly appreciative of the sustained USSP support for equipment development, expertise, and training. The USSP-supported roadmapping workshops that bring together SG customers with technology developers and suppliers are an effective way for SG managers and staff to assess needs in a targeted area, systematically categorize the problems and identify technology gaps -- as well as promising solutions -- and recommend steps forward. SG officials did express concern, however, over the negative impact that unexpected developments with U.S. contractors can have on completion of Agency tasks. For example, recently, a U.S. contractor experienced a loss of key personnel resulting in a six month delay in the development of the Next Generation

Surveillance System (NGSS), an important IAEA project, which is a joint venture of the USSP and the German Support Program.

¶18. (U) Heinonen and other IAEA officials thanked the USSP for its generous support to development of the NGSS, a project that will cost the USSP over \$3 million, and other containment and surveillance activities, and they expressed appreciation for U.S. flexibility in working with the IAEA. (The USSP has historically developed containment and surveillance equipment that meets unique IAEA communication security and tamper indication requirements, because other users with similar needs are rare. The vendors for this equipment must be ready to serve small markets successfully.) They believe this type of support will always be needed to maintain effective accountancy-based safeguards.

¶19. (SBU) The IAEA and the USSP noted a number of successes that were marked at the annual Task Review Meeting in April. However, O'Connor noted that a number of tasks are experiencing technical problems and administrative delays that have the attention of the SSTS and the USSP. Steps are being taken, when possible, to facilitate the completion of these tasks.

¶10. (SBU) O'Connor emphasized that the USSP continues to monitor progress and requirements associated with the IAEA's Safeguards Analytical Laboratory (SAL) in order to help ensure a coordinated U.S. support effort. The USSP recently approved funding for continued development of the SAL Laboratory Information Management System (ILIMS). USSP funding was also approved for consultant David Swindle to act as an independent consultant to the IAEA's project "Enhancing Capabilities of the Safeguards Analytical Services" (ECAS). IAEA officials noted their appreciation for Mr. Swindle's contribution and judged he is uniquely qualified to assist the IAEA on this critical issue. (Note: Because many of the ISPO and SSTS delegates had never visited SAL, a half-day tour of the laboratories was provided. SAL officials presented an overview of SAL facilities

and capabilities; briefly discussed the ILIMS project, and gave a walking tour of the Clean Lab, the SIMS Lab, and the Nuclear Materials Laboratory. End Note.)

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Next Generation Safeguards Initiative  
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¶11. (SBU) SSTS Member Steve LaMontagne (NNSA) provided two briefings on DOE/NNSA's Next Generation Safeguards Initiative (NGSI), the first an overview of the NGSI program plan, funded in FY2009 with \$42 Million, and the second an overview of selected technology projects. (Comment: Although the IAEA has been briefed a number of times on the NGSI program and senior IAEA safeguards officials attended a formative NGSI meeting last fall, a question remains in the minds of IAEA officials -- as well as in Mission -- as to how NGSI will interact with the Safeguards Department, and in particular the relationship between NGSI and the USSP in that regard. Mission looks forward to working closely with DOE/NNSA, the USSP, and the IAEA to develop a process for NGSI and USSP interactions with the Secretariat that ensures a well-coordinated and effective channel for advancing U.S. strengthened safeguards priorities. End Comment.)

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Human Resources and Knowledge Management  
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¶12. (U) In 2008, the USSP responded to IAEA requests and sponsored eighteen cost free experts (CFEs) and ten junior professional officers (JPOs). The USSP provides this support to the IAEA to assist with short-term projects in areas where the IAEA does not have in-house expertise or to enable experienced staff to address more complex issues. During their assignments the CFEs and JPOs also gain valuable experience in IAEA tools and methods and new technologies. The USSP was happy to hear that the IAEA recognizes this value and expertise; for example, during the last year the Agency hired four of the CFEs and JPOs into regular IAEA staff positions.

¶13. (SBU) Many of the SG presentations highlighted issues associated with recruiting, training, and retaining quality staff members, and

preserving key knowledge before a staff member leaves. An acute shortage of staff is in the information analysis area. Jacques Baute, director of SGIM, stated that this is not only a numbers issue, but finding, or in his word, "brewing," the right mix of skills and expertise. SGCP initiated a pilot knowledge management exercise, based on which it will develop a more comprehensive effort to capture the knowledge of retiring staff. The SG training section has undertaken a study with the French Support Program to characterize the soft-skill competency profiles for inspectors in the various jobs of procedure-based activities, complementary access, and reporting. Many of the skills can be improved by training, but others are innate and difficult to teach. For these innate skills, the IAEA needs to use improved recruiting techniques to find suitable candidates. In wrap-up discussions, USSP officials declared that they will follow up with SG officials to find out more about the skills and expertise now needed and envisioned for Safeguards.

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IAEA and USSP Strategic Planning Efforts  
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¶14. (SBU) SG reported on its long-term strategic planning exercise, which was initiated in 2008 and planned for completion at the end of ¶2009. To date, the only product is a review of the external environment that may affect the future of IAEA safeguards. Thus, relatively little has been accomplished on this important task. (DDG Heinonen, who initiated the long-term strategic planning effort and is heavily invested in producing a useful outcome, told MsnOff that the first phase of the report is due to him in early June.) There is also some unease with the fact that Member States have not been engaged in the process, and it is unknown how much of the plan might be shared with them. (Comment: Mission notes related U.S. efforts, that would benefit from improved coordination, including USSP Strategic Planning and elaboration of NGSI. Further, Mission fears that lack of communication in this area might make future Member State cooperation and buy-in to the strategic plan more

difficult, and will be working with the appropriate safeguards officials to help facilitate appropriate member state insight. End Comment.)

¶15. (U) O'Connor informed the IAEA that the SSTS and ISPO are also currently involved in strategic planning and working toward a more results-based approach. A one-day meeting was convened on May 21 to discuss and incorporate some results of the USSP Annual Meeting into the strategic plan, and to define short-term goals and action plans. The discussion also took into account Heinonen's stated priority to devote more resources to strengthening the effectiveness of efforts to address undeclared activities; some such resources might be generated by improving the efficiency of routine safeguards activities. USSP priority areas -- all of which are consistent with the IAEA focus on undeclared activities -- are Human Resources, Quality Management Improvement, Information Management, Training, and Concepts and Approaches.

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U.S. Delegation Comment  
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¶16. (U) USSP officials were pleased with the outcome of the meeting. Overall, the meeting was very useful for the exchange of information and the maintenance of contacts for effective implementation of USSP projects to the IAEA. The SSTS was particularly impressed with the quality of the presentations from and interaction with SGIM. End Comment.

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